



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2001 Assembly Bill 723

Assembly Amendment 1

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Under *current law*, secured transactions are governed by Article 9 of the Uniform Commercial Code, which is codified in ch. 409. 2001 Wisconsin Act 10 repealed and recreated ch. 409 in conformance with the revised Article 9 that was approved by the National Conference of Commissioners on Uniform State Laws.

Assembly Bill 723 makes a number of changes to the revised Article 9. Most of the changes concern the recording and filing of documents with the Offices of Registers of Deeds and the Department of Financial Institutions.

Assembly Amendment 1 to Assembly Bill 723 makes a further change to the revised Article 9. Previously, under ch. 409, when collateral was sold pursuant to a default, all subordinate security interests and liens were discharged. Act 10 changed this so that liens held by the State of Wisconsin or by a local governmental unit are not discharged. Assembly Amendment 1 deletes this exemption so that all liens are discharged.

The Assembly Committee on Financial Institutions recommended passage of Assembly Amendment 1 on March 5, 2002, on a vote of Ayes, 14; Noes, 2.

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